

## David Noe: Global Business

**Part One** - *Read to the bottom of the next page then stop.*

David Noe knew he and his team were going to have to learn a whole new way of doing business.

David Noe was the Vice President of Global Sales for APL Limited, the fifth largest shipping company in the world. With its fleet of 76 huge container ships, APL carried goods to and from port cities all over the world. APL then moved those goods by truck or train to their final destinations. In addition to moving goods for its customers, APL could also store goods in its warehouses and could help its customers manage all the ‘logistics’ or details of moving products across borders and over oceans.

David had worked for APL since 1985 in APL offices in Hong Kong, Korea, and the U.S. The group he now managed – the Global Sales Department – had been created in 1996 to serve a new kind of APL customer: the global business. These ‘global’ customers were mostly Fortune 500 companies that had expanded from a single location to have offices, factories, and employees in cities and countries all over the world. A single global business might have offices in four different continents and might move its products between factories and warehouses that were located thousands of miles apart. These businesses needed extra help and attention to coordinate all their shipping and logistics needs between all their various offices and facilities. David’s group was charged with providing that service and handled over \$800 million in business a year for those customers.

David’s team members were a little different from a typical sales representative. Instead of arranging single shipments for a customer – say to ship a load of hay from California to Japan – David’s team worked with people at the very highest levels of global companies, helping them use APL’s services in every

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part of their business. Because of the way they did their work, David and his team spent a lot of time building personal relationships with their customers. And, because their customers worked at businesses all over the world, David and his team learned a lot about different cultures, customs, and business practices. A sales presentation that would be perfectly appropriate for an American customer would not go over well at all in China or in Europe.

David was proud of the work his team did around the world. But now he had a new challenge. One of APL's customers was changing the way it did business and that would certainly change the way this customer worked with APL.

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**Part Two** - *Read to the bottom of this page, then stop.*

The customer David was thinking about was a large manufacturing company that was based in Japan. The company had branch offices in Europe, Hong Kong and the U.S. Until recently, the managers of each of the company's branch offices made their own decisions based on what would work best in their own regions. That is, the head of the company's Europe office made decisions based on what would work best in Europe; and the head of the office in Hong Kong made decisions that would work best there.

But now, the company wanted to change the way it made decisions. It wanted to create stronger partnerships and more teamwork between its employees and get them to think about their decisions not just in terms of their own regions but in terms of the entire company around the world. To do this, the company decided to pull all its branch office managers into a team and ask them to make decisions together – to move beyond their individual needs in their own offices and look at each decision in terms of how it would affect the entire global operations of the company.

David and his team at APL had already built strong relationships with the managers of each of the company's local offices. They worked with the managers at the Hong Kong office, the Japan office, the Europe office and the U.S. office. But up until now, they had worked with each of these people separately, helping each office with its own individual needs. They didn't know much about the overall global needs of the company; their focus, just like the individual branch office managers had been had been on specific regions not the whole world.

David wondered what his customer's decision would mean for APL.

Should he and his team continue to do business as they always had? After all, they had been very successful working one-on-one with the branch offices. Maybe they could still work that way. Or, should he and his team start doing their job in a new way just like their customer?

**STOP**

**Part Three** - *Read to the bottom of this page, then stop.*

David decided he needed more information before he could make a decision. Would this new way of business really last? Was it going to seriously change the way the customer operated? Or would decisions really continue to be made the way they always had with just a “show” of making decisions by a global team?

David already knew quite a bit about doing business in Japan. He thought about what he had learned from many years of doing business with Japanese customers.

David knew that teamwork, partnerships, personal relationships, and a consensus style of decision-making were all very important and valued traits in Japan. In fact, it was not at all uncommon in Japan to prepare for a business meeting by meeting individually with each of the people who would be at the meeting. At those one-on-one meetings, each person would discuss the decisions or new ideas that would be brought up at the big meeting. That way, there would be no surprises at the big meeting. No one would lose face or be embarrassed by being on the losing end of a big decision, because everyone would already have discussed what was going to happen at the meeting. Patient, careful communications like these and strong personal relationships were very important parts of Japanese culture.

After thinking about everything he knew about doing business in Japan, David concluded that his customer’s new way of doing business was not simply for show. Instead, it was a serious shift in the way the company operated. The company was changing its business style not just to be more focused on the overall company’s global needs but also to mirror Japanese cultural ideals.

David valued his relationship with his customer and with the managers of all of its branch offices. He wanted to maintain good relationships with all of them as the company changed its way of making decisions. And he didn’t want to be left behind. How could he do that?

**STOP**

**Part Four** - *Read to the end of this section.*

David realized that his customer was very serious about changing the way it made decisions. The company truly wanted to create more teamwork and think more globally. But David knew the company would still have some trouble as it started to make the changes. Change is always difficult, David knew. In this case, managers located at branch offices thousands of miles away from each other, who were of different nationalities and cultures and had been used to making decisions on their own, were now going to try to come together as a team. They might even be resentful about the changes. It was not going to be easy.

But as David thought about it, he realized that APL might be able to help. Within his team at APL, David realized, he and his staff probably knew more about each of the branch offices – what they were producing, how much they were producing, where they were shipping their products – than any of the individual branch office managers did. His challenge would be to use that knowledge to help his customer coordinate its actions and decisions around the world.

David decided he could use his knowledge and his personal relationships with each of the branch office managers to help the company in its new effort. By helping the branch office managers share information and by serving as a bridge between them, David and his team could help their customer's branch office managers get to know each other and start working together.

It was a new way to work. David felt a little like a coach sometimes, as he explained to the Hong Kong branch office manager what the Europe branch office manager had meant by a comment, or explained to the U.S. branch office manager a little about the shipping challenges the Japan office faced. This wasn't the way he usually worked with customers. But it worked! David and his team strengthened their relationships with the company by helping the branch office managers learn more about each other and about how to work as a team. And in the process, he and his staff learned a lot more about their customer and its needs around the world. Their own change in focus from meeting individual managers' needs to thinking about their customer as a team made up of people around the world had paid off. And, David thought with satisfaction, APL's ability to truly meet the needs of its customer gave it an edge in the shipping business.